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March 22, 2001

BY FIRST-CLASS MAIL and
E-MAIL @ dte.efiling@state.ma.us

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Massachusetts - American Water Company Proposal Rate Increase

D. T. E. 00-105

Dear Ms. Cottrell:

Enclosed please find Town of Oxford's First Set of Information Requests to the Mass-American Water Company and Certificate of Service in the above-referenced matter.

Very truly yours,

Patricia A. Cantor
PAC/rlf
Enc.
cc: Town Manager
Service List

THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D. P. U. No. 00-105

MASSACHUSETTS - AMERICAN WATER COMPANY
PROPOSED RATE INCREASE

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TOWN OF OXFORD'S FIRST SET OF INFORMATION REQUESTS
TO THE MASS-AMERICAN WATER COMPANY

The Town of Oxford, pursuant to 220 CMR 1.06 and the Hearing Officer Ruling on Procedural Schedule, hereby propounds the following Information Requests to the Massachusetts-American Water Company.

In these requests the Massachusetts-American Water Company is referred to as the "Company" and the Town of Oxford is referred to as "Oxford."

In responding to these requests, the following Instructions apply.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witnesses receive or generate additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term "document" is used in its broadest sense and includes, but is not limited to, writings, drawings, graphs, charts, photographs, phone-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes,

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records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If a question refers to an Information Request of another party, please provide that response and answer with information that supplements the previous response.

7. If any one of these requests is ambiguous, please notify counsel for the Town of Oxford so that the request may be clarified, if necessary, prior to the preparation of a written response.

OX 1-1 Please refer to the prefiled testimony of Mr. Bossung at p. 11 and the Company's Response to DTE Data Request #2-14 in answering the following.

- a. Did the Company pay any amount towards the project described as the Mobil Oil water main extension and a booster station in Oxford's Sutton Avenue and Joe Jenny Road?
- b. If your answer is yes, please state the amount paid, the date(s) upon which the payment(s) was made, and the entity(ies) to which the payment(s) was made.
- c. Please provide complete and detailed documentation regarding your response.
- d. Does the Company own the water mains and booster stations described as the Mobil Oil project?
- e. If the Company does not own the water mains and booster stations, please state the name, address, and telephone number of the entity that does own the water mains and booster station.
- f. If the Company does not own the water mains and booster stations, please provide copies of all leases, licenses or other agreements and documents relating to the Company's right to use the same.
- g. If the Company does own the water mains and booster stations, please provide copies of all documents and/or instruments by which the Company acquired title to the same.
- h. Please provide a copy of the water main extension agreement.

OX 1-2 Please refer to the prefiled testimony of Mr. Bossung at p. 11 and the Company's Response to DTE Data Request #2-14 in answering the following.

- a. Did the Company pay any amount towards the project described as the Harwood Street project?

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- b. If your answer is yes, please state the amount paid, the date(s) upon which the payment(s) was made, and the entity(ies) to which the payment(s) was made.
- c. Please provide complete and detailed documentation regarding your response.
- d. Does the Company own the water main extension described as the Harwood Street project?
- e. If the Company does not own the water main extension, please state the name, address, and telephone number of the entity that does own the water main extension.
- f. If the Company does not own the water main extension, please provide copies of all leases, licenses or other agreements and documents relating to the Company's right to use the same.
- g. If the Company does own the water main extension, please provide copies of all documents and/or instruments by which the Company acquired title to the same.
- h. Please provide a copy of the water main extension agreement.

OX 1-3 Please refer to the prefiled testimony of Mr. Bossung at p. 11 and the Company's Response to DTE Data Request #2-14 in answering the following.

- a. Did the Company pay any amount towards the project described as the Rocky Hill Manor Estates on Flanders Court?
- b. If your answer is yes, please state the amount paid, the date(s) upon which the payment(s) was made, and the entity(ies) to which the payment(s) was made.
- c. Please provide complete and detailed documentation regarding your response.
- d. Does the Company own the water main extension described as the Rocky Hill Manor Estates project?
- e. If the Company does not own the water main extension, please state the name, address, and telephone number of the entity that does own the water main extension.
- f. If the Company does not own the water main extension, please provide copies of all leases, licenses or other agreements and documents relating to the Company's right to use the same.
- g. If the Company does own the water main extension, please provide copies of all documents and/or instruments by which the Company acquired title to the same.
- h. Please provide a copy of the water main extension agreement.

OX 1-4 Please refer to the prefiled testimony of Mr. Bossung at p. 11 and the Company's Response to DTE Data Request #2-14 in answering the following.

- a. Did the Company fund in whole or in part any of the projects referred to as the Mobil Oil, Harwood Street, or Rocky Hill Manor Estates?

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- b. If your answer is yes, please describe the extent, including the amount or other consideration, which was funded by the Company.
- c. Please provide complete and detailed documentation regarding your response.

OX 1-5 Please refer to the Company's Response to DTE Data Request #2-42 in answering the following.

- a. Please explain how the calculated credit to Oxford impacts the proposed rates for Oxford.

OX 1-6 Please refer to the prefiled testimony of Mr. Bossung at pp. 4-5 (Question 10) in answering the following.

- a. Please describe how the "project expanded the Town of Oxford's industrial/commercial base."
- b. Please describe the financial or other contribution made by the Company to the 250,000-gallon distribution storage tank and related transmission main.

OX 1-7 Please refer to the prefiled testimony of Mr. Bossung at p.7 (Question 14) in answering the following.

- a. Please describe the "capital improvement projects" as they specifically relate to the Company's customers in Oxford.
- b. Please describe the "committed construction projects" as they specifically relate to the Company's customers in Oxford.
- c. Please describe what impact, if any, these projects will have on the Company's customers in Oxford.
- d. Please explain the portion of the \$8 million that is attributable to Oxford or the Company's customers in Oxford.
- e. Please describe the benefit of the \$8 million or portion thereof to the Company's customers in Oxford.
- f. Please provide complete and detailed documentation regarding your response.

OX 1-8 Please refer to the prefiled testimony of Mr. Bossung at pp. 9-11 in which he

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outlines the major capital projects undertaken since the last rate case totaling \$8,000,000.

- a. Please provide for each project the cost of which is more than \$50,000, all studies, reports, and internal memoranda that document the need for each project, its purpose, its location and capacities, its component costs, and descriptions of any viable alternatives that were considered (including demand management and conservation) and the reasons why these alternatives were rejected.
- b. To what extent, if any, does (or will) the Company's proposed Comprehensive Planning Study consider Least Cost Integrated Resource Planning (LCIRP) techniques and measures. Explain why demand management options are not given equal weight as supply side solutions, if this is the case.
- c. The Company's last CPS is nearly 16 years old. With the recent large capital additions and construction of a treatment plant that more than doubled the value of the Company's facilities, please explain why it is reasonable for ratepayers to pay for a late expensive capital planning study that will not be available for review until after the rates go into effect.

OX 1-9 Please refer to the prefiled testimony of Mr. Bossung at pp. 8-11 (Question 16) in answering the following.

- a. Please describe the extent, if any, which any of the listed projects benefit the Company's customers in Oxford.
- b. Regarding the "Customer Advances - \$826,987," please describe the amount, if any, which the Company contributed to the projects listed.
- c. Please provide complete and detailed documentation for your response.

OX 1-10 Please refer to the prefiled testimony of Mr. Bossung, at p. 7, in which he states that the Company is in the process of completing \$2.3 million in new capital improvement projects.

- a. For each of these projects, provide the current estimated completion date and percent completed at this time.
- b. How have these schedules changed or slipped over the last six months and 12 months?
- c. Please provide any invoices or other documentation that could be used to verify the percentage completed or the schedule for completion.

OX 1-11 Please refer to the last page of Document 17 and the last page of Document
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24 of the Company's Direct Testimony and Exhibits, regarding "Customer Advances Received in Test Year not Capitalized Until After Test Year," which amount to \$2,533,054, in answering the following.

- a. Please describe for each of the amounts listed, the amount that the Company paid or contributed to the construction of the mains.
- b. If the Company did not pay or contribute to the construction of any or all of the mains, please identify the entity(ies) which did pay or contribute.

OX 1-12 Please refer to the prefiled testimony of Mr. Tambini at pp. 2-7 (Questions 8-24), in answering the following.

- a. Please describe the affect on the Company's customers in Oxford regarding the matters addressed by Mr. Tambini.

OX 1-13 Please refer to the prefiled testimony of Mr. Watkins, Ex. 4., Schedule 4, p. 15, in answering the following.

- a. Please describe the affect on the current rate and the proposed rate applicable to Oxford if Oxford were to purchase the hydrants from the Company.
- b. Does the Company own the hydrants in the towns included in Service Area A?
- c. If the Company does not own the hydrants in the towns included in Service Area A, please describe the affect on the current rate and the proposed rate applicable to the towns included in Service Area A due to ownership of the hydrants by those towns.

OX 1-14 Please describe the extent to which the current and proposed fire protection rate reflects any cost differential resulting from the private ownership of hydrants.

OX 1-15 Please describe the basis for determining the hydrant charges. Include in your answer complete and detailed documentation.

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OX 1-16 Please describe how the fire flow requirements for fire protection are determined. Include in your answer complete and detailed documentation.

OX 1-17 Please refer to the Company's response to DTE Data Request #2-38 in answering the following:

- a. Please explain why the Company has chosen to request three different rates for three different classes, residential, commercial and large industrial, of users.
- b. Include in your answer an explanation of why the Company did not choose to request one rate and why the Company did not choose to request the lowest rate for residential users.
- c. Please explain why the Company did not choose an increasing block rate structure for all customers or separate increasing block rate structures for different customer classes.

OX 1-18 Please refer to the Company's response to DTE Data Request #2-38 in answering the following.

- a. Please explain why the Company chose the equivalent of a declining block rate (applicable to all customers) and not an increasing or uniform rate for each customer class.

OX 1-19 Please review the document attached hereto as Exhibit A, "2000 Water Rate Survey Massachusetts Communities," by Tighe and Bond, in answering the following.

- a. In responding to this request, please explain the reasons why the "Typical Annual Homeowner's Cost" for Oxford is higher than the average cost.

OX 1-20 Please review the document attached hereto as Exhibit B, "Environmental Notification Form, Construction of a New Water Supply System," ("ENF") to serve the Town of Charlton ("Charlton").

- a. Were you aware of this ENF before seeing it attached hereto?

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- b. If you were aware of it before seeing it attached hereto, please explain when you became aware of it and how you became aware of it.
- c. Directing your attention to p. 3 of the ENF, please explain the statement: "The water distribution system is designed to take water from the existing Oxford water system."
- d. Please explain the impact that taking water from the Oxford water system will have on the supply of water in Oxford, including in your response any affect on storage capacity and/or draw-down of water stored in each existing water storage tank in Oxford.
- e. Please explain the impact that taking water from Oxford will have on the groundwater in Oxford.
- f. Please explain the impact that taking water from the Oxford water system will have on any current or projected "excess capacity" in Oxford.
- g. Please explain the impact that taking water from the Oxford system will have on the pending rate case.
- h. Please identify where in the Company's filing or in its responses to any of the documents or data or other discovery requests from DTE the Company has explained the impact of the ENF on the pending rate case.
- i. What income does the Company anticipate from the sale of water to Charlton?
- j. Please explain how the Company will account for the income from the provision of water to Charlton.
- k. Please explain how the Company will credit the customers in the pending rate case for the income from the provision of water to Charlton.
- l. Please explain the statement in the prefiled testimony of Mr. Bossung, at p. 4, (response to Question 9, p. 3): "The Oxford District does not have interconnections with abutting towns," in relation to the ENF.
- m. In supplying water to Charlton, does the Company intend to use water from the 250,000 gallon Oxford tank?
- n. If your answer to m., above is yes, please describe the extent of the use and explain the impact on Oxford from using the water for Charlton.
- o. Have Charlton and the Company signed any contracts or memoranda of understanding with respect to the proposed sale of water by the Company to Charlton?
- p. Please provide copies of all Company correspondence to and from any Charlton officer or employee, including letters, memoranda, facsimile transmissions and electronic mail transmissions, relating to the proposed provision of water by the Company to Charlton.
- q. Please provide copies of all draft and final reports, Company internal correspondence, including letters, memoranda, facsimile transmissions and electronic mail transmissions, relating to the proposed provision of water by the Company to Charlton.
- r. If the Company believes it is within its authority to provide water to Charlton, please identify the provisions of the charter, articles of organization, statute, regulation, permit or other basis for that authority.
- s. If the Company does not believe it is within its present authority to provide water to Charlton, please identify the charter or articles of organization amendments and/or legislative or regulatory acts or governmental agency permits that

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will be required to provide that authority.

t. Please describe in detail the hydraulic impact of supplying Charlton from the Oxford water system. Please assume that the Town of Charlton is taking its proposed maximum water flow from the Oxford system under each of the following system conditions on the Oxford system:

- i. Average day demands.
- ii. Maximum day demands.
- iii. Maximum day and required fire flows.
- iv. Maximum hour demands.

u. On a unit basis (\$ per million gallons) please estimate the following:

- i. Incremental costs (I.C.) of providing Charlton service from the Oxford system.
- ii. The likely rate to Charlton for this wholesale service and how the rate would be determined.
- iii. The expected profit per million gallons (Item ii minus Item i) and explain what the Company would do with these profits.

OX 1-21 Please refer to the prefiled testimony of Mr. Bossung, at pp. 4-5 (response to Question 10), and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Is the Company claiming any depreciation regarding the 250,000 gallon distribution tank?
- b. If your response is yes, please explain the basis and reasoning for the claim.
- c. Please provide complete and detailed documentation for your response.

OX 1-22 Please refer to the prefiled testimony of Mr. Bossung, at pp. 4-5 (response to Question 10), and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Is the Company claiming any depreciation regarding the Mobil Oil water main extension and booster station?

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- b. If your response is yes, please explain the basis and reasoning for the claim.
- d. Please provide complete and detailed documentation for your response.

OX 1-23 Please refer to the prefiled testimony of Mr. Bossung, at pp. 4-5 (response to Question 10), and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Is the Company claiming any depreciation regarding the Harwood Street project?
- b. If your response is yes, please explain the basis for the claim.
- c. Please provide complete and detailed documentation for your response.

OX 1-24 Please refer to the prefiled testimony of Mr. Bossung, at pp. 4-5 (response to Question 10), and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Is the Company claiming any depreciation regarding the Rocky Hill Manor Estates on Flanders Court project?
- b. If your response is yes, please explain the basis and reasoning for the claim.
- c. Please provide complete and detailed documentation for your response.

OX 1-25 Please refer to the prefiled testimony of Mr. Bossung, at pp. 4-5 (response to Question 10), and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Has the Company included the cost of the 250,000 gallon distribution storage tank in the calculations of its net rate base (on which it is allowed to earn a return)?
- b. If your response is yes, please explain the basis and reasoning for the claim.
- c. Please provide complete and detailed documentation for your response.

OX 1-26 Please refer to the prefiled testimony of Mr. Bossung, at p.11, and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

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- a. Has the Company included the cost of the Mobil Oil water main extension and booster station in the calculation of its net rate base (on which it is allowed to earn a return)?
- b. If your response is yes, please explain the basis and reasoning for the inclusion.
- d. Please provide complete and detailed documentation for your response.

OX 1-27 Please refer to the prefiled testimony of Mr. Bossung, at p.11, and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Has the Company included the cost of the Harwood Street project in the calculation of its net rate base (on which it is allowed to earn a return)?
- b. If your response is yes, please explain the basis and reasoning for the inclusion.
- c. Please provide complete and detailed documentation for your response.

OX 1-28 Please refer to the prefiled testimony of Mr. Bossung, at p.11, and the Direct Testimony of Mr. Spanos In the Matter of Depreciation in answering the following.

- a. Has the Company included the cost of the Rocky Hill Manor Estates on Flanders Court project in the calculation of its net data base (on which it is allowed to earn a return)?
- b. If your response is yes, please explain the basis for the claim.
- c. Please provide complete and detailed documentation for your response.

OX 1-29 When did the Oxford Water Company merge into the Company? Please provide copies of the Articles of Merger.

OX 1-30 Was the approval of the Massachusetts Legislature obtained for the merger of the Oxford Water Company into the Company? Please provide a copy or the citation for the act authorizing such merger.

OX 1-31 Was DTE (then Department of Public Utilities) approval obtained for the merger of the Oxford Water Company into the Company? Please provide a copy of the

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DTE order approving such merger.

OX 1-32 Please provide copies of the articles of organization and/or charter of the Company, and by-laws of the Company, as originally adopted and with all amendments.

OX 1-33 Please provide copies of the articles of organization and/or charters, as originally adopted and with all amendments, of all water companies that merged into the Company.

OX 1-34 Please refer to the prefiled testimony of Mr. Bossung at p. 9 in answering the following:

- a. What is the status of the Comprehensive Planning Study (CPS), the cost of which the Company plans to add to its rate base (\$385,000)?
- b. Has the research started?
- c. Please describe the extent of the progress made.
- d. When are the first draft and final reports expected to be completed?
- e. Please provide copies of any internal memorandum or reports that demonstrate the status and any draft report, if available.

OX 1-35 Please provide a copy of the most recent (1999 or 2000) document issued annually by the National Association of Water Companies (NANC) entitled, "1999 (or 2000) Financial and Operating Data for Investor-Owned Water Companies."

OX 1-36 Please provide copies of any documents the Company has provided the Massachusetts Department of Environmental Protection to partially (or fully) comply with any of the requirements of the Administrative Consent Order (ACO). For example, the "Draft water needs report" specified in item of #31 of the ACO.

OX 1-37 Please provide estimates of the costs the Company has incurred to date and expects to incur in the future to fully satisfy all of the requirements of the ACO. Separate the costs by type of program. For example, leak detection and repair, or the residential conservation program. Include all costs from program design, implementation and follow-up, including monitoring and reporting. If possible, separate by labor, materials, equipment and capital costs.

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OX 1-38 Please provide a copy of the Memorandum of Agreement referred to by Mr. Bossung on page 12 of his Direct Testimony.

OX 1-39 Please provide distribution system maps for each system (A, B - Oxford, B - Millbury) that has "Large Industrial" Customers, indicating their location and the main that they are served from.

OX 1-40 Please provide copies of earlier depreciation studies performed by Mr. Spanos for other water companies, as listed in his direct testimony, p. 3, lines 20 - 23.

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D. P. U. No. 00-105

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by first-class mail upon all parties of record, as listed on the Service List, in this proceeding in accordance with the requirements of 220 CMR 1.05(1) (Department's Rules of Practice and Procedure).

Dated at _____ this _____ day of _____, 2001.

Patricia A. Cantor

D. T. E. 00-105

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